



Dave Yost • Auditor of State

**JACKSON TOWNSHIP
STARK COUNTY**

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STARK COUNTY

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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Jackson Township
Stark County
5735 Wales Avenue NW
Massillon, Ohio 44646

To the Board of Trustees:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Jackson Township, Stark County, Ohio (the Township), as of and for the years ended December 31, 2010 and 2009, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

As discussed in Note 2, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Jackson Township, Stark County, Ohio, as of December 31, 2010 and 2009, and the respective changes in cash financial position and the respective budgetary comparison for the General Fund, Police Fund, Fire Fund, and Road Levy Fund, Road and Bridge Fund (2009 only) and Accumulated Benefits Fund (2010 only) thereof for the years then ended in conformity with the basis of accounting Note 2 describes.

As discussed in Note 11, the Township restated certain fund balances effective January 1, 2009 as a result of the reclass of certain reserve balances.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 15, 2011, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's discussion and analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

July 15, 2011

**Jackson Township
Stark County, Ohio**

Management's Discussion and Analysis
For the Years Ended December 31, 2010 and 2009
Unaudited

This discussion and analysis of Jackson Township's financial performance provides an overview of the Township's financial activities for the years ended December 31, 2010 and 2009, within the limitations of the Township's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Township's financial performance.

Highlights

Key highlights for 2010 and 2009 are as follows:

Net assets of governmental activities increased \$1,857,285, or 9.9 percent in 2010, a significant change from the prior year. Net assets of governmental activities increased \$373,443 or 2.03 percent in 2009, an insignificant change from the prior year. The funds most affected by the 2010 increase in cash and cash equivalents were the Police Levy, Road Levy, and Accumulated Benefits Funds. The fund most affected by the 2009 increase in cash and cash equivalents was the Police Levy Fund.

The Township's general receipts are primarily property taxes. These receipts represent \$15,724,598 or 58.2 percent in 2010 and \$15,659,014 or 59.3 percent in 2009 of the total cash received for governmental activities during the year. Property tax receipts for 2010 increased an average of .42 percent.

\$1,032,803 was received in inheritance tax in 2010 and \$1,061,749 was received in 2009.

In 2009, voters approved a renewal of an existing tax of 4.5 mills for the Police Levy. 2011 is the first year of collections.

In 2008, voters approved a renewal of an existing tax of 6 mills for the Fire Levy. 2010 was the first year of collections.

In 2007, voters approved a renewal of an existing tax of 3 mills for the Road Levy. 2009 was the first year of collections.

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Township's cash basis of accounting.

Report Components

The statement of net assets and the statement of activities provide information about the cash activities of the Township as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Township as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

**Jackson Township
Stark County, Ohio**

Management's Discussion and Analysis
For the Years Ended December 31, 2010 and 2009
Unaudited

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Township has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Township's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

Reporting the Township as a Whole

The statement of net assets and the statement of activities reflect how the Township did financially during 2010 and 2009, within the limitations of cash basis accounting. The statement of net assets presents the cash balances of the governmental activities of the Township at year end. The statement of activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Township's general receipts.

These statements report the Township's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Township's financial health. Over time, increases or decreases in the Township's cash position is one indicator of whether the Township's financial health is improving or deteriorating. When evaluating the Township's financial condition, you should also consider other nonfinancial factors as well such as the Township's property tax base, the condition of the Township's capital assets and infrastructure, the extent of the Township's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property taxes.

In the statement of net assets and the statement of activities, the Township consists of one type of activity:

Governmental activities - The Township's basic services are reported here, including police, fire, streets and parks. State and federal grants and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Reporting the Township's Most Significant Funds

Fund financial statements provide detailed information about the Township's major funds – not the Township as a whole. The Township establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the Township are split into two categories: governmental and proprietary.

Governmental Funds - Most of the Township's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Township's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Township's

**Jackson Township
Stark County, Ohio**

Management's Discussion and Analysis
For the Years Ended December 31, 2010 and 2009
Unaudited

programs. The Township's significant governmental funds are presented on the financial statements in separate columns. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Township's major governmental funds are the General, Road and Bridge (2009 only), Police, Fire, Road Levy, and Accumulated Benefits (2010 only) Funds. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

Proprietary Funds – When the Township charges customers for the services it provides, these services are generally reported in proprietary funds. When the services are provided to the general public, the activity is reported as an enterprise fund. The Township has no enterprise funds. When the services are provided to other departments of the Township, the service is reported as an internal service fund. The Township has one internal service fund to account for employee health-care claims.

The Township as a Whole

Table 1 provides a summary of the Township's net assets for 2010 compared to 2009 and 2008 on a cash basis.

(Table 1)
Net Assets

| | Governmental Activities | | |
|---------------------------|-------------------------|--------------|--------------|
| | 2010 | 2009 | 2008 |
| Assets | | | |
| Cash and Cash Equivalents | \$20,608,009 | \$18,750,724 | \$18,377,281 |
| Net Assets | | | |
| Restricted for: | | | |
| Capital Outlay | \$7,754,867 | \$6,469,154 | \$7,873,919 |
| Other Purposes | 10,654,674 | 9,685,862 | 8,041,906 |
| Unrestricted | 2,198,468 | 2,595,708 | 2,461,456 |
| Total Net Assets | \$20,608,009 | \$18,750,724 | \$18,377,281 |

As mentioned previously, net assets of governmental activities increased \$1,857,285 or 9.9 percent during 2010. The primary reasons contributing to the increases in cash balances are as follows:

- Receipts for Capital & Operating Grants & Contributions increased by \$447,754 due to a Police federal grant and a Highway grant from the Ohio Public Works Commission.
- Expenses for Capital Outlay decreased by \$1,566,613 due to more capital outlay in 2009 for fire equipment and highway projects.

**Jackson Township
Stark County, Ohio**

Management's Discussion and Analysis
For the Years Ended December 31, 2010 and 2009
Unaudited

Table 2 reflects the changes in net assets in 2010, 2009, and 2008.

(Table 2)
Changes in Net Assets

| | Governmental Activities 2010 | Governmental Activities 2009 | Governmental Activities 2008 |
|--|------------------------------------|------------------------------------|------------------------------------|
| Receipts: | | | |
| Program Receipts: | | | |
| Charges for Services and Sales | \$4,057,123 | \$4,054,804 | \$4,287,920 |
| Operating Grants and Contributions | 784,020 | 664,225 | 591,401 |
| Capital Grants and Contributions | 450,916 | 122,957 | 220,819 |
| Total Program Receipts | <u>5,292,059</u> | <u>4,841,986</u> | <u>5,100,140</u> |
| General Receipts: | | | |
| Property and Other Local Taxes | 15,724,598 | 15,659,014 | 15,813,190 |
| Grants and Entitlements Not Restricted to Specific Programs | 5,439,488 | 5,465,849 | 5,175,284 |
| Interest | 311,375 | 415,383 | 609,088 |
| Miscellaneous | 240,659 | 34,391 | 3,028 |
| Total General Receipts | <u>21,716,120</u> | <u>21,574,637</u> | <u>21,600,590</u> |
| Total Receipts | <u>27,008,179</u> | <u>26,416,623</u> | <u>26,700,730</u> |
| Disbursements: | | | |
| General Government | 4,680,351 | 4,533,973 | 4,367,558 |
| Public Safety | 14,057,126 | 13,786,720 | 13,332,514 |
| Public Works | 3,648,049 | 3,465,989 | 3,227,495 |
| Health | 347,305 | 333,460 | 321,226 |
| Conservation-Recreation | 830,118 | 768,480 | 801,982 |
| Capital Outlay | 1,587,945 | 3,154,558 | 1,641,854 |
| Total Disbursements | <u>25,150,894</u> | <u>26,043,180</u> | <u>23,692,629</u> |
| Increase (Decrease) in Net Assets | 1,857,285 | 373,443 | 3,008,101 |
| Net Assets Beginning of Year | <u>18,750,724</u> | <u>18,377,281</u> | <u>15,369,180</u> |
| Net Assets End of Year | <u>\$20,608,009</u> | <u>\$18,750,724</u> | <u>\$18,377,281</u> |

Program receipts represent only 19.6 percent of total receipts during 2010 and 18.3 percent of total receipts during 2009. Program receipts are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money, building permits and inspection fees, and charges for ambulance and EMS.

General receipts represent 80.4 percent in 2010 and 81.7 percent in 2009 of the Township's total receipts, and of this amount, 58.2 percent in 2010 and 59.3 percent in 2009 are property taxes. State and federal grants and entitlements make up 20.1 percent in 2010 and 20.7 percent in 2009 of the Township's total receipts. Other receipts are insignificant and somewhat unpredictable revenue sources.

Disbursements for General Government represent the overhead costs of running the Township and the support services provided for the other Township activities. These include the costs of Trustees, Fiscal Officer, and other general activities, as well as internal services such as payroll and purchasing. Since these costs do not represent direct services to residents, we try to limit these costs.

**Jackson Township
Stark County, Ohio**

Management's Discussion and Analysis
For the Years Ended December 31, 2010 and 2009
Unaudited

Public Safety are costs associated with police and fire protection and emergency services. Public Works are costs associated with maintaining Township roads. Health is the contribution to the County health department; and Conservation-Recreation are the costs of maintaining the parks and playing fields.

Governmental Activities

If you look at the Statement of Activities, you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for public safety, which account for 55.9 percent in 2010 and 52.9 percent in 2009 of all governmental disbursements. General government also represents a significant cost, about 18.6 percent in 2010 and 17.4 percent in 2009. The next three columns of the Statement entitled Program Cash Receipts identify amounts paid by people who are directly charged for the service and grants received by the Township that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

(Table 3)

Governmental Activities

| | Total Cost of Services 2010 | Net Cost of Services 2010 | Total Cost of Services 2009 | Net Cost of Services 2009 |
|-------------------------|-----------------------------------|---------------------------------|-----------------------------------|---------------------------------|
| General Government | \$4,680,351 | \$2,006,241 | \$4,533,973 | \$1,737,902 |
| Public Safety | 14,057,126 | 12,682,659 | 13,786,720 | 12,652,254 |
| Public Works | 3,648,049 | 2,454,107 | 3,465,989 | 2,597,877 |
| Health | 347,305 | 347,305 | 333,460 | 333,460 |
| Conservation-Recreation | 830,118 | 780,578 | 768,480 | 725,143 |
| Capital Outlay | 1,587,945 | 1,587,945 | 3,154,558 | 3,154,558 |
| Total Expenses | \$25,150,894 | \$19,858,835 | \$26,043,180 | \$21,201,194 |

The dependence upon property tax receipts is apparent as over 79 percent in 2010 and 81.4 percent in 2009 of governmental activities are supported through these general receipts.

The Township's Funds

Total governmental funds had receipts of \$24,940,474 in 2010 and \$24,124,413 in 2009 and disbursements of \$22,743,607 in 2010 and \$23,888,003 in 2009. The greatest change for 2010 and 2009 within governmental funds occurred within the Police Levy (2010 and 2009), Fire Levy (2009), and Road Levy Funds (2010). In 2010, the fund balance of the Police Fund increased \$921,892 due to an increase in receipts. The fund balance of the Road Levy Fund increased \$649,309 due to a decrease in capital expenditures. In 2009, the fund balance of the Police Levy Fund increased \$906,231 due to an increase in receipts. The fund balance of the Fire Levy Fund decreased \$743,400 due to an increase in expenditures.

General Fund Budgeting Highlights

The Township's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

**Jackson Township
Stark County, Ohio**

Management's Discussion and Analysis
For the Years Ended December 31, 2010 and 2009
Unaudited

During 2010, the Township amended its General Fund budget three times to reflect changing circumstances. Final budgeted receipts did not change from the original budgeted receipts. The difference between final budgeted receipts and actual receipts was \$374,238, mainly due to a conservative estimate of estate/inheritance taxes, since these can be unpredictable sources of revenue.

During 2009, the Township amended its General Fund budget once to reflect changing circumstances. Final budgeted receipts did not change from the original budgeted receipts. The difference between final budgeted receipts and actual receipts was \$363,487, mainly due to a conservative estimate of estate/inheritance taxes, since these can be unpredictable sources of revenue.

During 2010, General Fund final disbursements were budgeted at \$3,791,747 while actual disbursements were \$2,399,197. General Government is most of the difference. Final budgeted disbursements increased \$338,276 or 9.8 percent from the original budgeted disbursements, due to an increase in actual receipts and supplemental appropriations.

During 2009, General Fund final disbursements were budgeted at \$3,960,580 while actual disbursements were \$2,482,378. General Government is most of the difference. Final budgeted disbursements increased \$567,367 or 16.7 percent from the original budgeted disbursements, due to an increase in actual receipts and supplemental appropriations.

Capital Assets and Debt Administration

Capital Assets

The Township does not currently keep track of its capital assets and infrastructure.

Debt

The Township has no outstanding debt.

Current Issues

The challenge for all Townships is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking, funding. As indicated in the preceding financial information, the Township relies heavily on local taxes and intergovernmental receipts to operate at the current level of services.

Contacting the Township's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Township's finances and to reflect the Township's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Randy Gonzalez, Fiscal Officer, Jackson Township, Stark County, 5735 Wales Avenue N.W., Massillon, Ohio 44646, telephone 330-832-5886 or visit the Township's website at www.jacksonwp.com.

Jackson Township
Stark County, Ohio

Statement of Net Assets - Cash Basis
December 31, 2010

| | Primary Government Governmental Activities | Component Unit |
|--|--|-------------------|
| Assets | | |
| Equity in Pooled Cash and Cash Equivalents | \$20,608,009 | \$26,994 |
| Net Assets | | |
| Restricted for: | | |
| Capital Projects | \$7,754,867 | |
| Other Purposes | 10,654,674 | |
| Unrestricted | 2,198,468 | \$26,994 |
| <i>Total Net Assets</i> | \$20,608,009 | \$26,994 |

See accompanying notes to the basic financial statements

**Jackson Township
Stark County, Ohio**

*Statement of Activities - Cash Basis
For the Year Ended December 31, 2010*

| | Program Cash Receipts | | | | Net (Disbursements) Receipts and Changes In Net Assets | |
|--------------------------------------|-----------------------|--|--|-------------------------------------|---|-------------------|
| | Cash Disbursements | Charges for Services and Sales | Operating Grants and Contributions | Capital Grants and Contributions | Primary Governmental Activities | Component Unit |
| Governmental Activities | | | | | | |
| General Government | \$4,680,351 | \$2,674,110 | | | (\$2,006,241) | |
| Public Safety | 14,057,126 | 1,138,895 | \$235,572 | | (12,682,659) | |
| Public Works | 3,648,049 | 202,041 | 540,985 | \$450,916 | (2,454,107) | |
| Health | 347,305 | | | | (347,305) | |
| Conservation-Recreation | 830,118 | 42,077 | 7,463 | | (780,578) | |
| Capital Outlay | 1,587,945 | | | | (1,587,945) | |
| <i>Total Governmental Activities</i> | <u>25,150,894</u> | <u>4,057,123</u> | <u>784,020</u> | <u>450,916</u> | <u>(19,858,835)</u> | |
| <i>Total Primary Government</i> | <u>\$25,150,894</u> | <u>\$4,057,123</u> | <u>\$784,020</u> | <u>\$450,916</u> | <u>(19,858,835)</u> | |
| Component Unit | \$1,220 | | | | | (\$1,220) |
| | | | | | | |
| | | General Receipts | | | | |
| | | Property Taxes Levied for: | | | | |
| | | General Purposes | | | 357,380 | |
| | | Police | | | 4,977,574 | |
| | | Fire | | | 6,808,151 | |
| | | Road and Bridge | | | 3,052,635 | |
| | | Other Taxes | | | 528,858 | |
| | | Grants and Entitlements not Restricted to Specific Programs | | | 5,439,488 | |
| | | Interest | | | 311,375 | |
| | | Miscellaneous | | | 240,659 | |
| | | <i>Total General Receipts</i> | | | <u>21,716,120</u> | <u>0</u> |
| | | Change in Net Assets | | | 1,857,285 | (1,220) |
| | | <i>Net Assets Beginning of Year</i> | | | <u>18,750,724</u> | <u>28,214</u> |
| | | <i>Net Assets End of Year</i> | | | <u>\$20,608,009</u> | <u>\$26,994</u> |

See accompanying notes to the basic financial statements

**Jackson Township
Stark County, Ohio**

*Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2010*

| | General | Police | Fire | Road Levy | Accumulated Benefits Fund | Other Governmental Funds | Total Governmental Funds |
|---|--------------------|--------------------|--------------------|--------------------|---------------------------------|--------------------------------|--------------------------------|
| Assets | | | | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$1,839,539 | \$5,126,317 | \$2,219,758 | \$5,354,711 | \$2,057,620 | \$3,651,134 | \$20,249,079 |
| Fund Balances | | | | | | | |
| Reserved: | | | | | | | |
| Reserved for Encumbrances | \$71,748 | \$66,563 | \$79,440 | \$514,871 | | \$108,795 | \$841,417 |
| Unreserved: | | | | | | | |
| Designated for: | | | | | | | |
| Acquisition of Fire Equipment | | | 575,000 | | | | 575,000 |
| Acquisition of Police Cruisers | | 1,435,096 | | | | | 1,435,096 |
| Park Improvements and Equipment | | | | | | 56,877 | 56,877 |
| Road and Streets | | | | 4,168,404 | | | 4,168,404 |
| Property Purchases | | | | | | 1,025,961 | 1,025,961 |
| Severance/Termination Payouts | | | | | 2,057,620 | | 2,057,620 |
| Budget Stabilization | | 2,030,461 | 716,878 | | | | 2,747,339 |
| Unreserved: | | | | | | | |
| Undesignated (Deficit), Reported in: | | | | | | | |
| General Fund | 1,767,791 | | | | | | 1,767,791 |
| Special Revenue Funds | | 1,594,197 | 848,440 | 671,436 | | 2,459,501 | 5,573,574 |
| Total Fund Balances | <u>\$1,839,539</u> | <u>\$5,126,317</u> | <u>\$2,219,758</u> | <u>\$5,354,711</u> | <u>\$2,057,620</u> | <u>\$3,651,134</u> | <u>\$20,249,079</u> |
| Governmental activities net assets include the internal service fund's cash and cash equivalents. | | | | | | | 358,930 |
| The proprietary fund's statements include these assets. | | | | | | | <u>\$20,608,009</u> |

See accompanying notes to the basic financial statements

Jackson Township, Stark County
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2010

| | General | Police | Fire | Road Levy | Accumulated Benefits Fund | Other Governmental Funds | Total Governmental Funds |
|--|--------------------|--------------------|--------------------|--------------------|---------------------------------|--------------------------------|--------------------------------|
| Receipts | | | | | | | |
| Property and Other Local Taxes | \$723,212 | \$4,977,574 | \$6,808,151 | \$1,054,085 | | \$2,161,577 | \$15,724,599 |
| Charges for Services | 359,174 | 5,283 | 10,061 | \$62,041 | | 1,136,234 | 1,572,793 |
| Licenses, Permits and Fees | | | 2,410 | | | 116,304 | 118,714 |
| Fines and Forfeitures | 33,271 | 2,900 | | | | 17,599 | 53,770 |
| Intergovernmental | 1,867,055 | 1,689,947 | 1,360,136 | 409,825 | | 1,334,998 | 6,661,961 |
| Special Assessments | | | | | | 136,239 | 136,239 |
| Interest | 307,148 | | | | | 7,576 | 314,724 |
| Other | 49,482 | 44,216 | 1,153 | 213,431 | | 49,392 | 357,674 |
| <i>Total Receipts</i> | <u>3,339,342</u> | <u>6,719,920</u> | <u>8,181,911</u> | <u>1,739,382</u> | <u>0</u> | <u>4,959,919</u> | <u>24,940,474</u> |
| Disbursements | | | | | | | |
| Current: | | | | | | | |
| General Government | 1,934,735 | | | | 16,681 | 321,648 | 2,273,064 |
| Public Safety | | 5,157,241 | 8,011,008 | | 26,803 | 862,074 | 14,057,126 |
| Public Works | 30,306 | | | 837,655 | 18,745 | 2,761,343 | 3,648,049 |
| Health | 347,305 | | | | | | 347,305 |
| Conservation-Recreation | | | | | | 830,118 | 830,118 |
| Capital Outlay | 15,103 | 398,748 | 142,245 | 252,418 | | 779,431 | 1,587,945 |
| <i>Total Disbursements</i> | <u>2,327,449</u> | <u>5,555,989</u> | <u>8,153,253</u> | <u>1,090,073</u> | <u>62,229</u> | <u>5,554,614</u> | <u>22,743,607</u> |
| <i>Excess of Receipts Over (Under) Disbursements</i> | <u>1,011,893</u> | <u>1,163,931</u> | <u>28,658</u> | <u>649,309</u> | <u>(62,229)</u> | <u>(594,695)</u> | <u>2,196,867</u> |
| Other Financing Sources (Uses) | | | | | | | |
| Sale of Capital Assets | | 9,700 | 2,400 | | | 12,016 | 24,116 |
| Transfers In | 1,025,961 | | 175,000 | | 476,739 | 2,046,397 | 3,724,097 |
| Transfers Out | (2,071,397) | (251,739) | (200,000) | | | (1,200,961) | (3,724,097) |
| <i>Total Other Financing Sources (Uses)</i> | <u>(1,045,436)</u> | <u>(242,039)</u> | <u>(22,600)</u> | <u>0</u> | <u>476,739</u> | <u>857,452</u> | <u>24,116</u> |
| <i>Net Change in Fund Balances</i> | <u>(33,543)</u> | <u>921,892</u> | <u>6,058</u> | <u>649,309</u> | <u>414,510</u> | <u>262,757</u> | <u>2,220,983</u> |
| <i>Fund Balances Beginning of Year</i> | <u>1,873,082</u> | <u>4,204,425</u> | <u>2,213,700</u> | <u>4,705,402</u> | <u>1,643,110</u> | <u>3,388,377</u> | <u>18,028,096</u> |
| <i>Fund Balances End of Year</i> | <u>\$1,839,539</u> | <u>\$5,126,317</u> | <u>\$2,219,758</u> | <u>\$5,354,711</u> | <u>\$2,057,620</u> | <u>\$3,651,134</u> | <u>\$20,249,079</u> |

Net Change in Fund Balances Governmental Funds \$2,220,983

Internal Service funds charge insurance costs to other funds. The entity-wide statements eliminate governmental fund expenditures and related internal service fund charges. Governmental activities report allocated net internal service fund receipts (disbursements). (363,698)

Change in net assets of \$1,857,285

See accompanying notes to the basic financial statements

**Jackson Township
Stark County, Ohio**

*Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2010*

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|--------------------|---------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Receipts | | | | |
| Property and Other Local Taxes | \$768,220 | \$768,220 | \$723,212 | (\$45,008) |
| Charges for Services | 277,400 | 277,400 | 359,174 | 81,774 |
| Fines and Forfeitures | 32,200 | 32,200 | 33,271 | 1,071 |
| Intergovernmental | 1,350,723 | 1,350,723 | 1,867,055 | 516,332 |
| Interest | 500,000 | 500,000 | 307,148 | (192,852) |
| Other | 36,561 | 36,561 | 49,482 | 12,921 |
| <i>Total Receipts</i> | <u>2,965,104</u> | <u>2,965,104</u> | <u>3,339,342</u> | <u>374,238</u> |
| Disbursements | | | | |
| Current: | | | | |
| General Government | 2,990,881 | 3,323,093 | 1,955,439 | 1,367,654 |
| Public Works | 37,000 | 37,259 | 30,306 | 6,953 |
| Health | 347,000 | 347,305 | 347,305 | 0 |
| Capital Outlay | 78,590 | 84,090 | 66,147 | 17,943 |
| <i>Total Disbursements</i> | <u>3,453,471</u> | <u>3,791,747</u> | <u>2,399,197</u> | <u>1,392,550</u> |
| <i>Excess of Receipts Over/(Under) Disbursements</i> | <u>(488,367)</u> | <u>(826,643)</u> | <u>940,145</u> | <u>1,766,788</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers In (Out) | <u>(1,093,194)</u> | <u>(1,046,436)</u> | <u>(1,045,436)</u> | <u>1,000</u> |
| <i>Net Change in Fund Balance</i> | <u>(1,581,561)</u> | <u>(1,873,079)</u> | <u>(105,291)</u> | <u>1,767,788</u> |
| <i>Fund Balance Beginning of Year</i> | <u>1,843,527</u> | <u>1,843,527</u> | <u>1,843,527</u> | <u>0</u> |
| Prior Year Encumbrances Appropriated | <u>29,555</u> | <u>29,555</u> | <u>29,555</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u><u>\$291,521</u></u> | <u><u>\$3</u></u> | <u><u>\$1,767,791</u></u> | <u><u>\$1,767,788</u></u> |

See accompanying notes to the basic financial statements

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**Jackson Township
Stark County, Ohio**

*Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Police Fund
For the Year Ended December 31, 2010*

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|--|--------------------|--------------------|--------------------|-------------------------------|
| | Original | Final | | Positive (Negative) |
| Receipts | | | | |
| Property and Other Local Taxes | \$4,924,789 | \$4,924,789 | \$4,977,574 | \$52,785 |
| Charges for Services | 4,000 | 4,000 | 5,283 | 1,283 |
| Fines and Forfeitures | 2,200 | 2,200 | 2,900 | 700 |
| Intergovernmental | 1,548,873 | 1,548,873 | 1,689,947 | 141,074 |
| Other | 14,500 | 14,500 | 44,216 | 29,716 |
| <i>Total Receipts</i> | <u>6,494,362</u> | <u>6,494,362</u> | <u>6,719,920</u> | <u>225,558</u> |
| Disbursements | | | | |
| Current: | | | | |
| Public Safety | 6,510,726 | 6,498,861 | 5,188,183 | 1,310,678 |
| Capital Outlay | 229,630 | 487,630 | 434,369 | 53,261 |
| <i>Total Disbursements</i> | <u>6,740,356</u> | <u>6,986,491</u> | <u>5,622,552</u> | <u>1,363,939</u> |
| <i>Excess of Receipts Over/(Under) Disbursements</i> | <u>(245,994)</u> | <u>(492,129)</u> | <u>1,097,368</u> | <u>1,589,497</u> |
| Other Financing Sources (Uses) | | | | |
| Sale of Capital Assets | 5,000 | 5,000 | 9,700 | 4,700 |
| Transfers In (Out) | (550,000) | (550,000) | (251,739) | 298,261 |
| <i>Total Other Financing Sources (Uses)</i> | <u>(545,000)</u> | <u>(545,000)</u> | <u>(242,039)</u> | <u>302,961</u> |
| <i>Net Change in Fund Balance</i> | (790,994) | (1,037,129) | 855,329 | 1,892,458 |
| <i>Fund Balance Beginning of Year</i> | 4,169,533 | 4,169,533 | 4,169,533 | 0 |
| Prior Year Encumbrances Appropriated | 34,892 | 34,892 | 34,892 | 0 |
| <i>Fund Balance End of Year</i> | <u>\$3,413,431</u> | <u>\$3,167,296</u> | <u>\$5,059,754</u> | <u>\$1,892,458</u> |

See accompanying notes to the basic financial statements

**Jackson Township
Stark County, Ohio**

*Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Fire Fund
For the Year Ended December 31, 2010*

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|--|---------------------------|-------------------------|---------------------------|-------------------------------|
| | Original | Final | | Positive (Negative) |
| Receipts | | | | |
| Property and Other Local Taxes | \$6,729,425 | \$6,729,425 | \$6,808,151 | \$78,726 |
| Charges for Services | 10,000 | 10,000 | 10,061 | 61 |
| Licenses, Permits and Fees | 3,000 | 3,000 | 2,410 | (590) |
| Intergovernmental | 1,393,517 | 1,393,517 | 1,360,136 | (33,381) |
| Other | 2,600 | 2,600 | 1,153 | (1,447) |
| <i>Total Receipts</i> | <u>8,138,542</u> | <u>8,138,542</u> | <u>8,181,911</u> | <u>43,369</u> |
| Disbursements | | | | |
| Current: | | | | |
| Public Safety | 8,734,000 | 8,902,315 | 8,050,374 | 851,941 |
| Capital Outlay | 86,450 | 133,050 | 182,319 | (49,269) |
| <i>Total Disbursements</i> | <u>8,820,450</u> | <u>9,035,365</u> | <u>8,232,693</u> | <u>802,672</u> |
| <i>Excess of Receipts Over/(Under) Disbursements</i> | <u>(681,908)</u> | <u>(896,823)</u> | <u>(50,782)</u> | <u>846,041</u> |
| Other Financing Sources (Uses) | | | | |
| Sale of Capital Assets | | | 2,400 | 2,400 |
| Transfers In (Out) | | (600,000) | (25,000) | 575,000 |
| <i>Total Other Financing Sources (Uses)</i> | <u>0</u> | <u>(600,000)</u> | <u>(22,600)</u> | <u>577,400</u> |
| <i>Net Change in Fund Balance</i> | (681,908) | (1,496,823) | (73,382) | 1,423,441 |
| <i>Fund Balance Beginning of Year</i> | 2,158,168 | 2,158,168 | 2,158,168 | 0 |
| Prior Year Encumbrances Appropriated | 55,532 | 55,532 | 55,532 | 0 |
| <i>Fund Balance End of Year</i> | <u><u>\$1,531,792</u></u> | <u><u>\$716,877</u></u> | <u><u>\$2,140,318</u></u> | <u><u>\$1,423,441</u></u> |

See accompanying notes to the basic financial statements

**Jackson Township
Stark County, Ohio**

*Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Road Levy Fund
For the Year Ended December 31, 2010*

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---------------------------------------|-------------------------|--------------------|--------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Receipts | | | | |
| Property and Other Local Taxes | \$1,038,474 | \$1,038,474 | \$1,054,085 | \$15,611 |
| Charges for Services | 57,000 | 57,000 | 62,041 | 5,041 |
| Intergovernmental | 416,204 | 416,204 | 409,825 | (6,379) |
| Other | | | 213,431 | 213,431 |
| <i>Total Receipts</i> | <u>1,511,678</u> | <u>1,511,678</u> | <u>1,739,382</u> | <u>227,704</u> |
| Disbursements | | | | |
| Current: | | | | |
| Public Works | 1,174,278 | 1,515,859 | 858,997 | 656,862 |
| Capital Outlay | 3,497,326 | 4,701,221 | 745,947 | 3,955,274 |
| <i>Total Disbursements</i> | <u>4,671,604</u> | <u>6,217,080</u> | <u>1,604,944</u> | <u>4,612,136</u> |
| <i>Net Change in Fund Balance</i> | <u>(3,159,926)</u> | <u>(4,705,402)</u> | <u>134,438</u> | <u>4,839,840</u> |
| <i>Fund Balance Beginning of Year</i> | 3,895,475 | 3,895,475 | 3,895,475 | 0 |
| Prior Year Encumbrances Appropriated | 809,927 | 809,927 | 809,927 | 0 |
| <i>Fund Balance End of Year</i> | <u>\$1,545,476</u> | <u>\$0</u> | <u>\$4,839,840</u> | <u>\$4,839,840</u> |

See accompanying notes to the basic financial statements

**Jackson Township
Stark County, Ohio**

*Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Accumulated Benefits Fund
For the Year Ended December 31, 2010*

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|-------------------------|---------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Disbursements | | | | |
| Current: | | | | |
| General Government | \$100,000 | \$175,000 | \$16,681 | \$158,319 |
| Public Safety | 400,000 | 500,000 | 26,803 | 473,197 |
| Public Works | 288,000 | 288,000 | 18,745 | 269,255 |
| <i>Total Disbursements</i> | <u>788,000</u> | <u>963,000</u> | <u>62,229</u> | <u>900,771</u> |
| <i>Excess of Receipts Over/(Under) Disbursements</i> | <u>(788,000)</u> | <u>(963,000)</u> | <u>(62,229)</u> | <u>900,771</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers In (Out) | <u>125,000</u> | <u>225,000</u> | <u>476,739</u> | <u>251,739</u> |
| <i>Net Change in Fund Balance</i> | (663,000) | (738,000) | 414,510 | 1,152,510 |
| <i>Fund Balance Beginning of Year</i> | <u>1,643,110</u> | <u>1,643,110</u> | <u>1,643,110</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u><u>\$980,110</u></u> | <u><u>\$905,110</u></u> | <u><u>\$2,057,620</u></u> | <u><u>\$1,152,510</u></u> |

See accompanying notes to the basic financial statements

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**Jackson Township
Stark County, Ohio**

*Statement of Fund Net Assets - Cash Basis
Internal Service Fund
December 31, 2010*

| | Governmental Activities |
|--|----------------------------|
| Assets | |
| Equity in Pooled Cash and Cash Equivalents | <u>\$358,930</u> |
| Net Assets | |
| Unrestricted | <u>\$358,930</u> |
| <i>Total Net Assets</i> | <u><u>\$358,930</u></u> |

See accompanying notes to the basic financial statements

Statement of Cash Receipts, Disbursements and Changes in Fund Net Assets
Cash Basis
Internal Service Fund
For the Year Ended December 31, 2010

| | Governmental Activities |
|--------------------------------------|----------------------------|
| | Internal Service |
| Operating Receipts | |
| Charges for Services | \$2,043,589 |
| Operating Disbursements | |
| Administrative Fees | 403,721 |
| Claims | 2,003,566 |
| <i>Total Operating Disbursements</i> | 2,407,287 |
| <i>Change in Net Assets</i> | (363,698) |
| <i>Net Assets Beginning of Year</i> | 722,628 |
| <i>Net Assets End of Year</i> | \$358,930 |

See accompanying notes to the basic financial statements

Jackson Township
Stark County, Ohio

Statement of Net Assets - Cash Basis
December 31, 2009

| | Primary Government | Component |
|--|---------------------|-----------------|
| | Governmental | Unit |
| | Activities | |
| Assets | | |
| Equity in Pooled Cash and Cash Equivalents | \$18,750,724 | \$28,214 |
| | | |
| Net Assets | | |
| Restricted for: | | |
| Capital Projects | \$6,469,154 | |
| Other Purposes | 9,685,862 | |
| Unrestricted | 2,595,708 | \$28,214 |
| | | |
| <i>Total Net Assets</i> | <u>\$18,750,724</u> | <u>\$28,214</u> |

See accompanying notes to the basic financial statements

Jackson Township
Stark County, Ohio

Statement of Activities - Cash Basis
For the Year Ended December 31, 2009

| | Program Cash Receipts | | | | Net (Disbursements) Receipts and Changes In Net Assets | |
|--------------------------------------|-----------------------|--------------------------------------|--|-------------------------------------|---|-------------------|
| | Cash Disbursements | Charges for Services and Sales | Operating Grants and Contributions | Capital Grants and Contributions | Primary Governmental Activities | Component Unit |
| Governmental Activities | | | | | | |
| General Government | \$4,533,973 | \$2,795,471 | \$600 | | (\$1,737,902) | |
| Public Safety | 13,786,720 | 1,040,275 | \$94,191 | | (12,652,254) | |
| Public Works | 3,465,989 | 178,861 | 566,294 | \$122,957 | (2,597,877) | |
| Health | 333,460 | | | | (333,460) | |
| Conservation-Recreation | 768,480 | 40,197 | 3,140 | | (725,143) | |
| Capital Outlay | 3,154,558 | | | | (3,154,558) | |
| <i>Total Governmental Activities</i> | <u>26,043,180</u> | <u>4,054,804</u> | <u>664,225</u> | <u>122,957</u> | <u>(21,201,194)</u> | |
| <i>Total Primary Government</i> | <u>\$26,043,180</u> | <u>\$4,054,804</u> | <u>\$664,225</u> | <u>\$122,957</u> | <u>(21,201,194)</u> | |
| Component Unit | \$2,058 | | \$10,000 | | | \$7,942 |
| | | | | | | |
| | | General Receipts | | | | |
| | | Property Taxes Levied for: | | | | |
| | | | General Purposes | 366,290 | | |
| | | | Police | 4,934,635 | | |
| | | | Fire | 6,750,768 | | |
| | | | Road and Bridge | 3,100,666 | | |
| | | | Other Taxes | 506,655 | | |
| | | | Grants and Entitlements not Restricted to Specific Programs | 5,465,849 | | |
| | | | Interest | 415,383 | | |
| | | | Miscellaneous | 34,391 | | |
| | | | <i>Total General Receipts</i> | <u>21,574,637</u> | | <u>0</u> |
| | | | Change in Net Assets | 373,443 | | 7,942 |
| | | | <i>Net Assets Beginning of Year</i> | <u>18,377,281</u> | | <u>20,272</u> |
| | | | <i>Net Assets End of Year</i> | <u>\$18,750,724</u> | | <u>\$28,214</u> |

See accompanying notes to the basic financial statements

**Jackson Township
Stark County, Ohio**

*Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2009*

| | General | Road and Bridge | Police | Fire | Road Levy | Other Governmental Funds | Total Governmental Funds |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------------------|--------------------------------|
| Assets | | | | | | | |
| Equity in Pooled Cash and Cash Equivalents | <u>\$1,873,082</u> | <u>\$731,392</u> | <u>\$4,204,425</u> | <u>\$2,213,700</u> | <u>\$4,705,402</u> | <u>\$4,300,095</u> | <u>\$18,028,096</u> |
| Fund Balances | | | | | | | |
| Reserved: | | | | | | | |
| Reserved for Encumbrances | \$29,555 | \$1,472 | \$34,893 | \$55,532 | \$809,927 | \$367,259 | \$1,298,638 |
| Unreserved: | | | | | | | |
| Designated for: | | | | | | | |
| Acquisition of Police Cruisers | | | 1,385,096 | | | | 1,385,096 |
| Park Improvements and Equipment | | | | | | 56,877 | 56,877 |
| Road and Streets | | | | | 3,203,894 | | 3,203,894 |
| Property Purchases | | | | | | 1,025,961 | 1,025,961 |
| Severance/Termination Payouts | | | | | | 1,643,111 | 1,643,111 |
| Budget Stabilization | | | 1,732,200 | 716,878 | | | 2,449,078 |
| Unreserved: | | | | | | | |
| Undesignated (Deficit), Reported in: | | | | | | | |
| General Fund | 1,843,527 | | | | | | 1,843,527 |
| Special Revenue Funds | | 729,920 | 1,052,236 | 1,441,290 | 691,581 | 1,206,887 | 5,121,914 |
| Total Fund Balances | <u>\$1,873,082</u> | <u>\$731,392</u> | <u>\$4,204,425</u> | <u>\$2,213,700</u> | <u>\$4,705,402</u> | <u>\$4,300,095</u> | <u>\$18,028,096</u> |
| Governmental activities net assets include the internal service fund's cash and cash equivalents. The proprietary fund's statements include these assets. | | | | | | | <u>722,628</u> |
| | | | | | | | <u>\$18,750,724</u> |

See accompanying notes to the basic financial statements

Jackson Township, Stark County
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2009

| | General | Road and Bridge | Police | Fire | Road Levy | Other Governmental Funds | Total Governmental Funds |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------------------|--------------------------------|
| Receipts | | | | | | | |
| Property and Other Local Taxes | \$729,047 | \$2,048,798 | \$4,934,635 | \$6,750,768 | \$1,051,868 | \$143,899 | \$15,659,015 |
| Charges for Services | 269,230 | 27,611 | 3,873 | 12,602 | \$122,957 | 989,363 | 1,425,636 |
| Licenses, Permits and Fees | | 1,994 | | 2,940 | | 89,941 | 94,875 |
| Fines and Forfeitures | 32,501 | | 2,645 | | | 17,024 | 52,170 |
| Intergovernmental | 1,943,036 | 405,837 | 1,483,604 | 1,340,724 | 404,785 | 628,487 | 6,206,473 |
| Special Assessments | | | | | | 135,995 | 135,995 |
| Interest | 413,366 | | | | | 3,863 | 417,229 |
| Other | 43,267 | 5,751 | 38,326 | 3,604 | | 42,072 | 133,020 |
| <i>Total Receipts</i> | <u>3,430,447</u> | <u>2,489,991</u> | <u>6,463,083</u> | <u>8,110,638</u> | <u>1,579,610</u> | <u>2,050,644</u> | <u>24,124,413</u> |
| Disbursements | | | | | | | |
| Current: | | | | | | | |
| General Government | 2,051,642 | | | | | 327,155 | 2,378,797 |
| Public Safety | | | 5,251,088 | 7,853,365 | | 682,267 | 13,786,720 |
| Public Works | 19,346 | 2,124,665 | | | 887,096 | 434,881 | 3,465,988 |
| Health | 333,460 | | | | | | 333,460 |
| Conservation-Recreation | | | | | | 768,480 | 768,480 |
| Capital Outlay | 48,375 | 215,137 | 210,764 | 1,003,173 | 1,316,893 | 360,216 | 3,154,558 |
| <i>Total Disbursements</i> | <u>2,452,823</u> | <u>2,339,802</u> | <u>5,461,852</u> | <u>8,856,538</u> | <u>2,203,989</u> | <u>2,572,999</u> | <u>23,888,003</u> |
| <i>Excess of Receipts Over (Under) Disbursements</i> | <u>977,624</u> | <u>150,189</u> | <u>1,001,231</u> | <u>(745,900)</u> | <u>(624,379)</u> | <u>(522,355)</u> | <u>236,410</u> |
| Other Financing Sources (Uses) | | | | | | | |
| Sale of Capital Assets | | 7,510 | 5,000 | 2,500 | | 1,000 | 16,010 |
| Transfers In | | | | | | 1,064,393 | 1,064,393 |
| Transfers Out | (964,556) | | (100,000) | | | | (1,064,556) |
| <i>Total Other Financing Sources (Uses)</i> | <u>(964,556)</u> | <u>7,510</u> | <u>(95,000)</u> | <u>2,500</u> | <u>0</u> | <u>1,065,393</u> | <u>15,847</u> |
| <i>Net Change in Fund Balances</i> | <u>13,068</u> | <u>157,699</u> | <u>906,231</u> | <u>(743,400)</u> | <u>(624,379)</u> | <u>543,038</u> | <u>252,257</u> |
| <i>Fund Balances Beginning of Year (Restated)</i> | <u>1,860,014</u> | <u>573,693</u> | <u>3,298,194</u> | <u>2,957,100</u> | <u>5,329,781</u> | <u>3,757,057</u> | <u>17,775,839</u> |
| <i>Fund Balances End of Year</i> | <u>\$1,873,082</u> | <u>\$731,392</u> | <u>\$4,204,425</u> | <u>\$2,213,700</u> | <u>\$4,705,402</u> | <u>\$4,300,095</u> | <u>\$18,028,096</u> |

Net Change in Fund Balances Governmental Funds \$252,257

Internal Service funds charge insurance costs to other funds. The entity-wide statements eliminate governmental fund expenditures and related internal service fund charges. Governmental activities report allocated net internal service fund receipts (disbursements). 121,186

Change in net assets of \$373,443

See accompanying notes to the basic financial statements

**Jackson Township
Stark County, Ohio**

*Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2009*

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|------------------|--------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Receipts | | | | |
| Property and Other Local Taxes | \$758,897 | \$758,897 | \$729,047 | (\$29,850) |
| Charges for Services | 231,100 | 231,100 | 269,230 | 38,130 |
| Fines and Forfeitures | 43,200 | 43,200 | 32,501 | (10,699) |
| Intergovernmental | 1,516,663 | 1,516,663 | 1,943,036 | 426,373 |
| Interest | 480,000 | 480,000 | 413,366 | (66,634) |
| Other | 37,100 | 37,100 | 43,267 | 6,167 |
| <i>Total Receipts</i> | <u>3,066,960</u> | <u>3,066,960</u> | <u>3,430,447</u> | <u>363,487</u> |
| Disbursements | | | | |
| Current: | | | | |
| General Government | 2,985,279 | 3,528,996 | 2,081,107 | 1,447,889 |
| Public Works | 35,269 | 35,269 | 19,346 | 15,923 |
| Health | 337,287 | 335,197 | 333,460 | 1,737 |
| Capital Outlay | 35,378 | 61,118 | 48,465 | 12,653 |
| <i>Total Disbursements</i> | <u>3,393,213</u> | <u>3,960,580</u> | <u>2,482,378</u> | <u>1,478,202</u> |
| <i>Excess of Receipts Over/(Under) Disbursements</i> | <u>(326,253)</u> | <u>(893,620)</u> | <u>948,069</u> | <u>1,841,689</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers Out | (1,012,050) | (966,394) | (964,556) | 1,838 |
| <i>Net Change in Fund Balance</i> | (1,338,303) | (1,860,014) | (16,487) | 1,843,527 |
| <i>Fund Balance Beginning of Year</i> | 1,835,319 | 1,835,319 | 1,835,319 | 0 |
| Prior Year Encumbrances Appropriated | 24,695 | 24,695 | 24,695 | 0 |
| <i>Fund Balance End of Year</i> | <u>\$521,711</u> | <u>\$0</u> | <u>\$1,843,527</u> | <u>\$1,843,527</u> |

See accompanying notes to the basic financial statements

**Jackson Township
Stark County, Ohio**

*Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Road and Bridge Fund
For the Year Ended December 31, 2009*

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|------------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Receipts | | | | |
| Property and Other Local Taxes | \$2,019,615 | \$2,019,615 | \$2,048,798 | \$29,183 |
| Charges for Services | 17,000 | 17,000 | 27,611 | 10,611 |
| Licenses, Permits and Fees | 800 | 800 | 1,994 | 1,194 |
| Intergovernmental | 418,625 | 418,625 | 405,837 | (12,788) |
| Other | 507,821 | 1,200 | 5,751 | 4,551 |
| <i>Total Receipts</i> | <u>2,963,861</u> | <u>2,457,240</u> | <u>2,489,991</u> | <u>32,751</u> |
| Disbursements | | | | |
| Current: | | | | |
| Public Works | 3,342,554 | 2,816,900 | 2,126,137 | 690,763 |
| Capital Outlay | 200,000 | 219,033 | 215,137 | 3,896 |
| <i>Total Disbursements</i> | <u>3,542,554</u> | <u>3,035,933</u> | <u>2,341,274</u> | <u>694,659</u> |
| <i>Excess of Receipts Over/(Under) Disbursements</i> | <u>(578,693)</u> | <u>(578,693)</u> | <u>148,717</u> | <u>727,410</u> |
| Other Financing Sources (Uses) | | | | |
| Sale of Capital Assets | 5,000 | 5,000 | 7,510 | 2,510 |
| <i>Net Change in Fund Balance</i> | (573,693) | (573,693) | 156,227 | 729,920 |
| <i>Fund Balance Beginning of Year</i> | 432,280 | 432,280 | 432,280 | 0 |
| Prior Year Encumbrances Appropriated | 141,413 | 141,413 | 141,413 | 0 |
| <i>Fund Balance End of Year</i> | <u>\$0</u> | <u>\$0</u> | <u>\$729,920</u> | <u>\$729,920</u> |

See accompanying notes to the basic financial statements

**Jackson Township
Stark County, Ohio**

*Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Police Fund
For the Year Ended December 31, 2009*

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|--|--------------------|--------------------|--------------------|-------------------------------|
| | Original | Final | | Positive (Negative) |
| Receipts | | | | |
| Property and Other Local Taxes | \$4,834,955 | \$4,834,955 | \$4,934,635 | \$99,680 |
| Charges for Services | 6,000 | 6,000 | 3,873 | (2,127) |
| Fines and Forfeitures | 2,900 | 2,900 | 2,645 | (255) |
| Intergovernmental | 1,510,200 | 1,510,200 | 1,483,604 | (26,596) |
| Other | 26,500 | 26,500 | 38,326 | 11,826 |
| <i>Total Receipts</i> | <u>6,380,555</u> | <u>6,380,555</u> | <u>6,463,083</u> | <u>82,528</u> |
| Disbursements | | | | |
| Current: | | | | |
| Public Safety | 6,013,961 | 6,233,349 | 5,285,981 | 947,368 |
| Capital Outlay | 234,053 | 1,370,199 | 210,764 | 1,159,435 |
| <i>Total Disbursements</i> | <u>6,248,014</u> | <u>7,603,548</u> | <u>5,496,745</u> | <u>2,106,803</u> |
| <i>Excess of Receipts Over/(Under) Disbursements</i> | <u>132,541</u> | <u>(1,222,993)</u> | <u>966,338</u> | <u>2,189,331</u> |
| Other Financing Sources (Uses) | | | | |
| Sale of Capital Assets | 7,000 | 7,000 | 5,000 | (2,000) |
| Transfers Out | (957,200) | (957,200) | (100,000) | 857,200 |
| <i>Total Other Financing Sources (Uses)</i> | <u>(950,200)</u> | <u>(950,200)</u> | <u>(95,000)</u> | <u>855,200</u> |
| <i>Net Change in Fund Balance</i> | (817,659) | (2,173,193) | 871,338 | 3,044,531 |
| <i>Fund Balance Beginning of Year (Restated)</i> | 3,277,269 | 3,277,269 | 3,277,269 | 0 |
| Prior Year Encumbrances Appropriated | 20,925 | 20,925 | 20,925 | 0 |
| <i>Fund Balance End of Year</i> | <u>\$2,480,535</u> | <u>\$1,125,001</u> | <u>\$4,169,532</u> | <u>\$3,044,531</u> |

See accompanying notes to the basic financial statements

**Jackson Township
Stark County, Ohio**

*Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Fire Fund
For the Year Ended December 31, 2009*

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|--|--------------------|--------------------|--------------------|-------------------------------|
| | Original | Final | | Positive (Negative) |
| Receipts | | | | |
| Property and Other Local Taxes | \$6,616,453 | \$6,616,453 | \$6,750,768 | \$134,315 |
| Charges for Services | 11,000 | 11,000 | 12,602 | 1,602 |
| Licenses, Permits and Fees | 3,500 | 3,500 | 2,940 | (560) |
| Intergovernmental | 1,376,660 | 1,376,660 | 1,340,724 | (35,936) |
| Other | 2,400 | 2,400 | 3,604 | 1,204 |
| <i>Total Receipts</i> | <u>8,010,013</u> | <u>8,010,013</u> | <u>8,110,638</u> | <u>100,625</u> |
| Disbursements | | | | |
| Current: | | | | |
| Public Safety | 8,503,846 | 9,053,074 | 7,908,447 | 1,144,627 |
| Capital Outlay | 1,007,381 | 1,197,161 | 1,003,623 | 193,538 |
| <i>Total Disbursements</i> | <u>9,511,227</u> | <u>10,250,235</u> | <u>8,912,070</u> | <u>1,338,165</u> |
| <i>Excess of Receipts Over/(Under) Disbursements</i> | <u>(1,501,214)</u> | <u>(2,240,222)</u> | <u>(801,432)</u> | <u>1,438,790</u> |
| Other Financing Sources (Uses) | | | | |
| Sale of Capital Assets | | | 2,500 | |
| <i>Net Change in Fund Balance</i> | (1,501,214) | (2,240,222) | (798,932) | 1,438,790 |
| <i>Fund Balance Beginning of Year (Restated)</i> | 1,944,477 | 1,944,477 | 1,944,477 | 0 |
| Prior Year Encumbrances Appropriated | 1,012,623 | 1,012,623 | 1,012,623 | 0 |
| <i>Fund Balance End of Year</i> | <u>\$1,455,886</u> | <u>\$716,878</u> | <u>\$2,158,168</u> | <u>\$1,438,790</u> |

See accompanying notes to the basic financial statements

**Jackson Township
Stark County, Ohio**

*Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Road Levy Fund
For the Year Ended December 31, 2009*

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---------------------------------------|-------------------------|------------------|--------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Receipts | | | | |
| Property and Other Local Taxes | \$1,021,135 | \$1,046,045 | \$1,051,868 | \$5,823 |
| Charges for Services | 55,000 | 120,483 | 122,957 | 2,474 |
| Intergovernmental | 413,082 | 413,082 | 404,785 | (8,297) |
| <i>Total Receipts</i> | <u>1,489,217</u> | <u>1,579,610</u> | <u>1,579,610</u> | <u>0</u> |
| Disbursements | | | | |
| Current: | | | | |
| Public Works | 652,666 | 1,591,278 | 899,697 | 691,581 |
| Capital Outlay | 4,394,338 | 5,318,113 | 2,114,219 | 3,203,894 |
| <i>Total Disbursements</i> | <u>5,047,004</u> | <u>6,909,391</u> | <u>3,013,916</u> | <u>3,895,475</u> |
| <i>Net Change in Fund Balance</i> | (3,557,787) | (5,329,781) | (1,434,306) | 3,895,475 |
| <i>Fund Balance Beginning of Year</i> | 3,950,706 | 3,950,706 | 3,950,706 | 0 |
| Prior Year Encumbrances Appropriated | 1,379,075 | 1,379,075 | 1,379,075 | 0 |
| <i>Fund Balance End of Year</i> | <u>\$1,771,994</u> | <u>\$0</u> | <u>\$3,895,475</u> | <u>\$3,895,475</u> |

See accompanying notes to the basic financial statements

**Jackson Township
Stark County, Ohio**

*Statement of Fund Net Assets - Cash Basis
Internal Service Fund
December 31, 2009*

| | Governmental Activities |
|--|----------------------------|
| Assets | |
| Equity in Pooled Cash and Cash Equivalents | <u>\$722,628</u> |
| Net Assets | |
| Unrestricted | <u>\$722,628</u> |
| <i>Total Net Assets</i> | <u><u>\$722,628</u></u> |

See accompanying notes to the basic financial statements

**Jackson Township
Stark County, Ohio**

*Statement of Cash Receipts, Disbursements and Changes in Fund Net Assets
Cash Basis
Internal Service Fund
For the Year Ended December 31, 2009*

| | Governmental Activities |
|---------------------------------------|----------------------------|
| | Internal Service |
| Operating Receipts | |
| Charges for Services | \$2,276,200 |
| Operating Disbursements | |
| Administrative Fees | 407,793 |
| Claims | 1,747,384 |
| <i>Total Operating Disbursements</i> | 2,155,177 |
| <i>Operating Income (Loss)</i> | 121,023 |
| <i>Income (Loss) before Transfers</i> | 121,023 |
| Transfers In | 163 |
| <i>Change in Net Assets</i> | 121,186 |
| <i>Net Assets Beginning of Year</i> | 601,442 |
| <i>Net Assets End of Year</i> | \$722,628 |

See accompanying notes to the basic financial statements

**Jackson Township
Stark County**

Notes to the Financial Statements
For the Years Ended December 31, 2010 and 2009

Note 1 – Reporting Entity

Jackson Township, Stark County, Ohio (the Township), is a body politic and corporate established in 1815 to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly elected three-member Board of Trustees. The Township also has an elected Township Fiscal Officer.

The reporting entity is comprised of the primary government and a component unit that was included to ensure that the financial statements are not misleading.

A. Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. The Township provides general government services, maintenance of Township roads and bridges, park operations, and fire and police service.

B. Component Units

Component units are legally separate organizations for which the Township is financially accountable. The Township is financially accountable for an organization if the Township appoints a voting majority of the organization's governing board and (1) the Township is able to significantly influence the programs or services performed or provided by the organization; or (2) the Township is legally entitled to or can otherwise access the organization's resources; the Township is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide support to, the organization; or the Township is obligated for the debt of the organization. The Township is also financially accountable for any organizations that are fiscally dependent on the Township in that the Township approves their budget, the issuance of their debt or the levying of their taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the Township, are accessible to the Township and are significant in amount to the Township.

The Jackson Township Community Improvement Corporation (CIC) is a not-for-profit corporation created under Chapter 1724 of the Ohio Revised Code. The purpose of the CIC is to advance, encourage and promote industrial, economic, commercial and civic development of the Township. The Township appoints four of the nine CIC Board of Trustee members and presently, a majority of the CIC funding is received from the Township. The CIC is a component unit of the Township, as the Township is financially accountable for the CIC under the criteria of Governmental Accounting Standards Board Statement No. 14. The Township will report the financial status of the Community Improvement Corporation as a discretely presented component unit in its basic financial statements. Separately issued financial statements can be obtained from the CIC, 5735 Wales Avenue NW, Massillon, Ohio 44646.

C. Joint Ventures and Jointly Governed Organizations

A joint venture is a legal entity or other organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility.

**Jackson Township
Stark County**

Notes to the Financial Statements
For the Years Ended December 31, 2010 and 2009

Note 1 – Reporting Entity (Continued)

Joint Venture

The Township participates in the Local Organized Governments in Cooperation (LOGIC), a statutorily created political subdivision of the State formed in 1986 under Chapter 167 of the Ohio Revised Code to provide safety dispatching services. LOGIC is a joint venture among the Township, the City of Massillon, the City of Canal Fulton, Lawrence Township, and the Village of Hills and Dales, with each participant providing one representative. Each representative has a membership share based on the percentage of contractual financial contributions to the total funding, and each participant is entitled to vote its percentage share. The board has total authority over the operation of LOGIC, including budgeting, appropriation, contracting, and designating management. Continued existence of LOGIC is dependent on the Township's continued participation. LOGIC does not provide specific financial benefits or impose specific financial burdens on the Township. During 2010 and 2009, the Township made contributions of \$588,170 and \$555,245, respectively, but does not have an equity interest in LOGIC. Financial statements of LOGIC may be obtained from Local Organized Governments in Cooperation, 2601 Cleveland Avenue N.W., Canton, Ohio, 44709.

Jointly Governed Organizations

The Township participates in the Stark Council of Governments (the SCOG), which is established by its member political subdivisions as a regional council under Chapter 167 of the Ohio Revised Code for the purpose of providing a permanent forum for discussion and study of concerns of the county, cities, villages, and townships for development of policies and programs for implementation by one or more of the local governing bodies. The SCOG operates under the direction of a nine member Executive Committee, which is elected by the General Membership of the SCOG. The General Membership consists of one representative designated by each political subdivision. The SCOG's current functions include but are not limited to the funding and operation of the Stark County Metropolitan Narcotics Unit and the Canton Crime Lab. Continued existence of the Council is not dependent on the Township's continued participation. The Council does not provide specific financial benefits or impose specific financial burdens on the Township. The Township did not make any contributions during the year and does not have an equity interest in the council. Financial statements of the Council can be obtained from the Stark Council of Governments, P.O. Box 21451, Canton, Ohio, 44701-1451.

Note 2 – Summary of Significant Accounting Policies

As discussed further in Note 2C, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. Following are the more significant of the Township's accounting policies.

A. Basis of Presentation

The Township's basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

**Jackson Township
Stark County**

Notes to the Financial Statements
For the Years Ended December 31, 2010 and 2009

Note 2 – Summary of Significant Accounting Policies (Continued)

Government-Wide Financial Statements

The Statement of Net Assets and the Statement of Activities display information about the Township as a whole. These statements include the financial activities of the primary government. The activity of the internal service fund is eliminated to avoid “doubling up” receipts and disbursements. The statements usually distinguish between those activities of the Township that are governmental and those that are considered business-type. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The Township has no business-type activities.

The Statement of Net Assets presents the cash balances of the governmental activities of the Township at year end. The statement of activities compares disbursements with program receipts for each of the Township's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Township is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program and receipts of interest earned on grants that is required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a cash basis or draws from the Township's general receipts.

Fund Financial Statements

During the year, the Township segregates transactions related to certain Township functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Township at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The internal service funds are presented in a single column on the face of the proprietary fund statements.

Proprietary fund statements distinguish operating transactions from nonoperating transactions. Operating receipts generally result from exchange transactions such as charges for services directly relating to the funds' principal services. Operating disbursements include costs of sales and services and administrative costs. The fund statements report all other receipts and disbursements as nonoperating.

B. Fund Accounting

The Township uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted as to use. The funds of the Township are divided into two categories, governmental and proprietary.

Governmental Funds

The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. The Township has the following major governmental funds:

**Jackson Township
Stark County**

Notes to the Financial Statements
For the Years Ended December 31, 2010 and 2009

Note 2 – Summary of Significant Accounting Policies (Continued)

General Fund – This fund is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio.

Road & Bridge Fund (Major fund in 2009 only) – This fund receives tax levy money for the purpose of providing and maintaining roads, ditches, and bridges, related apparatus, appliances, buildings, and the payment of highway laborers.

Police District Fund – This fund receives tax levy money for the purpose of providing and maintaining police apparatus, equipment, and payment of police officers.

Fire District Fund – This fund receives tax levy money for the purpose of providing and maintaining fire apparatus, appliances, buildings, sources of water supply and materials, and the payment of firefighters/paramedics and to provide ambulance or emergency medical services.

Road Levy Fund – This fund receives tax levy money for the purpose of construction and/or performance of engineering services for various road improvement projects.

Accumulated Benefits Fund (Major fund in 2010 only) – This fund is used to account for resources transferred from other funds to be made available for employee retirement and severance payments.

The other governmental funds of the Township account for grants and other resources whose use is restricted to a particular purpose.

Proprietary Funds

The Township classifies funds financed primarily from user charges for goods or services as proprietary. Proprietary funds are classified as either enterprise or internal service. The Township has no enterprise funds. Internal service funds account for services provided by one department of the Township to another on a cost-reimbursement basis.

Internal Service Fund - The Township's internal service fund accounts for a self-insurance program for employee health, vision, prescription drug and dental benefits.

C. Basis of Accounting

The Township's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the Township's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the Township are described in the appropriate section in this note.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

**Jackson Township
Stark County**

Notes to the Financial Statements
For the Years Ended December 31, 2010 and 2009

Note 2 – Summary of Significant Accounting Policies (Continued)

D. Budgetary Process

All funds are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the Certificate of Estimated Resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The alternate tax budget demonstrates a need for existing or increased tax rates. The Certificate of Estimated Resources establishes a limit on the amount the Township may appropriate.

The appropriations resolution is the Township's authorization to spend resources and sets limits on disbursements plus encumbrances at the level of control selected by the Township. The legal level of control has been established at the personal services and other object level within each department for the General Fund and at the personal services and other object level for all other funds.

The Certificate of Estimated Resources may be amended during the year if projected increases or decreases in receipts are identified by the Township Fiscal Officer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the Certificate of Estimated Resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the Amended Certificated of Estimated Resources in effect at the time final appropriations were passed by the Township.

The appropriations resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Township during the year.

E. Cash and Investments

To improve cash management, cash received by the Township is pooled and invested. Individual fund integrity is maintained through Township records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents".

Investments of the cash management pool and investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments. Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts (contra revenue), respectively.

During 2010 and 2009, the Township invested in Federal Farm Credit Bank Notes, Federal National Mortgage Association Notes, Federal Home Loan Bank Notes, Federal Home Loan Mortgage Corporation Notes, STAR Ohio and a money market fund.

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices.

STAR Ohio is an investment pool, managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31.

**Jackson Township
Stark County**

Notes to the Financial Statements
For the Years Ended December 31, 2010 and 2009

Note 2 – Summary of Significant Accounting Policies (Continued)

Interest earnings are allocated to Township funds according to State statutes or grant requirements. Interest receipts credited to the General Fund during 2010 was \$307,148 which includes \$283,076 assigned from other Township funds. Interest receipts credited to the General Fund during 2009 was \$413,366 which includes \$374,436 assigned from other Township funds.

F. Inventory and Prepaid Items

The Township reports disbursements for inventories and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

G. Capital Assets

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

H. Interfund Receivables/Payables

The Township reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements. The Township did not make any advances during 2010 or 2009.

I. Accumulated Leave

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Township's cash basis of accounting.

J. Employer Contributions to Cost-Sharing Pension Plans

The Township recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 7 and 8, the employer contributions include portions for pension benefits and for postretirement health care benefits.

K. Long-Term Obligations

The Township has no outstanding debt.

L. Net Assets

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes include resources restricted for fire, police, and highway services.

The Township's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net assets are available.

M. Fund Balance Reserves

The Township reserves any portion of fund balances which is not available for appropriation or which is legally segregated for a specific future use. Unreserved fund balance indicates that portion of fund

**Jackson Township
Stark County**

Notes to the Financial Statements
For the Years Ended December 31, 2010 and 2009

Note 2 – Summary of Significant Accounting Policies (Continued)

balance which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances. Designations of fund balance represent tentative management plans that are subject to change. These designations include reservations of fund equity for acquisition of ambulances, fire trucks, police cruisers, park improvements and equipment, and road projects, along with severance payouts and budget stabilization.

N. Interfund Transactions

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating receipts/disbursements in proprietary funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

Note 3 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statements of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the General Fund, Road and Bridge Fund (2009 only), Police Fund, Fire Fund, Accumulated Benefits Fund (2010 only) and Road Levy Fund are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The differences between the budgetary basis and the modified cash basis are that outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis). The encumbrances outstanding at year end (budgetary basis) amounted to \$71,748 in 2010 and \$29,555 in 2009 for the General Fund; \$1,472 in 2009 for the Road and Bridge Fund; \$66,563 in 2010 and \$34,893 in 2009 for the Police Fund; \$79,440 in 2010 and \$55,532 in 2009 for the Fire Fund; and \$514,871 in 2010 and \$809,927 in 2009 for the Road Levy Fund. There was no encumbrance outstanding at year end (budgetary basis) for the Accumulated Benefits Fund.

Note 4 – Deposits and Investments

Monies held by the Township are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the Township treasury. Active monies must be maintained either as cash in the Township treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Trustees have identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

**Jackson Township
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Notes to the Financial Statements
For the Years Ended December 31, 2010 and 2009

Note 4 – Deposits and Investments (Continued)

Interim monies held by the Township can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio).

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Township, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions.

Deposits

The Township's policy for custodial risk contains the requirements of the Ohio Revised Code. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the Township or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

Custodial credit risk is the risk that in the event of bank failure, the Township will not be able to recover deposits or collateral securities that are in the possession of an outside party. On December 31, 2010, \$0 of the Township's bank balance of \$651,462 and on December 31, 2009, \$928,483 of the Township's bank balance of \$1,428,483 was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Township's name. The amount covered by the Federal Deposit Insurance Corporation on December 31, 2010, was \$651,462 and on December 31, 2009, was \$500,000.

**Jackson Township
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Notes to the Financial Statements
For the Years Ended December 31, 2010 and 2009

Investments

As of December 31, 2010, the Township had the following investments:

| <u>Investment Type</u> | <u>Carrying Value</u> | <u>Investment Maturities (in Years)</u> | | |
|--|----------------------------|---|---------------------------|---------------------------|
| | | <u>Less than 1</u> | <u>1 - 2</u> | <u>3 or more</u> |
| Federal Farm Credit Bank Notes | \$5,232,283 | \$1,732,413 | \$3,249,870 | \$250,000 |
| Federal Home Loan Bank Notes | 5,319,731 | 1,921,436 | 2,148,758 | 1,249,537 |
| Federal Home Loan Mortgage Corporation Notes | 2,498,135 | 249,750 | 1,748,385 | 500,000 |
| Federal National Mortgage Association Notes | 3,747,815 | 498,630 | 2,250,000 | 999,185 |
| Money Market | 42,875 | 42,875 | 0 | 0 |
| STAR Ohio | <u>3,139,766</u> | <u>3,139,766</u> | <u>0</u> | <u>0</u> |
| Total Investments | <u>\$19,980,605</u> | <u>\$7,584,870</u> | <u>\$9,397,013</u> | <u>\$2,998,722</u> |

As of December 31, 2009, the Township had the following investments:

| <u>Investment Type</u> | <u>Carrying Value</u> | <u>Investment Maturities (in Years)</u> | | |
|--|----------------------------|---|----------------------------|-------------------------|
| | | <u>Less than 1</u> | <u>1 - 2</u> | <u>3 or more</u> |
| Federal Farm Credit Bank Notes | \$4,174,532 | \$1,192,494 | \$2,232,413 | \$749,625 |
| Federal Home Loan Bank Notes | 3,567,716 | 997,155 | 2,570,561 | 0 |
| Federal Home Loan Mortgage Corporation Notes | 5,499,750 | 1,250,000 | 4,249,750 | 0 |
| Federal National Mortgage Association Notes | 1,498,630 | 500,000 | 998,630 | 0 |
| Money Market | 94,914 | 94,914 | 0 | 0 |
| STAR Ohio | <u>2,566,219</u> | <u>2,566,219</u> | <u>0</u> | <u>0</u> |
| Total Investments | <u>\$17,401,761</u> | <u>\$6,600,782</u> | <u>\$10,051,354</u> | <u>\$749,625</u> |

Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The Township's investment policy addresses interest rate risk by requiring that the Township's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations, thereby avoiding that need to sell securities on the open market prior to maturity, and by investing operating funds primarily in short-term investments.

The Federal Farm Credit Bank Notes, Federal Home Loan Bank Notes, Federal Home Loan Mortgage Corporation Notes, and Federal National Mortgage Association Notes carry a AAA rating by Standard and Poor's. The Money Market Fund is made up of all Government issues (Treasuries or U.S. Government Agencies) that carry a rating of AAA by Standard and Poor's and STAR Ohio carries a rating of AAAM by Standard and Poor's. The Township has no investment policy dealing with investment credit risk beyond the requirements in state statutes. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service and that the money market fund be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service.

**Jackson Township
Stark County**

Notes to the Financial Statements
For the Years Ended December 31, 2010 and 2009

Note 4 – Deposits and Investments (Continued)

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Federal Farm Credit Bank Notes, Federal Home Loan Bank Notes, Federal Home Loan Mortgage Corporation Notes, and Federal National Mortgage Association Notes are exposed to custodial credit risk as they are uninsured, unregistered, and held by the counterparty's trust department or agent but not in the Township's name. The Township has no investment policy dealing with investment custodial risk beyond the requirements in ORC 135.14(M)(2) which states, "Payment for investments shall be made only upon the delivery of securities representing such investments to the treasurer, investing authority, or qualified trustee. If the securities transferred are not represented by a certificate, payment shall be made only upon receipt of confirmation of transfer from the custodian by the treasurer, governing board, or qualified trustee."

Note 5 – Property Taxes

Property taxes include amounts levied against all real and public utility property located in the Township. Taxes collected from real property taxes (other than public utility) in one calendar year are levied in the preceding calendar year on the assessed value as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be reevaluated every six years. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2009 public utility property taxes became a lien December 31, 2008, are levied after October 1, 2009, and are collected in 2010 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

Beginning in calendar year 2009 tangible personal property tax on business inventory, manufacturing machinery and equipment, and furniture and fixtures is no longer levied and collected. The October 2008 tangible personal property tax settlement was the last property tax settlement for general personal property taxes.

House Bill No. 66 was signed into law on June 30, 2005. House Bill No. 66 phases out the tax on tangible personal property of general businesses, telephone and telecommunications companies, and railroads. The tax on general business and railroad property was eliminated by calendar year 2009, and the tax on telephone and telecommunications property will be eliminated by calendar year 2011. The tax is phased out by reducing the assessment rate on the property each year. The bill replaces the revenue lost by the Township due to the phasing out of the tax. In calendar years 2009 – 2010, the Township was fully reimbursed for the lost revenue. In calendar years 2011 – 2014, the reimbursements will be phased out.

The County Auditor collects property taxes on behalf of all taxing districts in the county, including Jackson Township. The County Auditor periodically remits to the Township its portion of the taxes collected.

**Jackson Township
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Notes to the Financial Statements
For the Years Ended December 31, 2010 and 2009

Note 5 – Property Taxes (Continued)

The full tax rate for all Township operations for the year ended December 31, 2010, was \$15.50 per \$1,000 of assessed value and \$15.50 per \$1,000 of assessed value for the year ended December 31, 2009. The assessed values of real and tangible personal property upon which 2010 and 2009 property tax receipts were based are as follows:

| | <u>2010</u> | <u>2009</u> |
|--|------------------|------------------|
| <i><u>Real Property</u></i> | | |
| Residential & Agriculture | \$ 895,623,400 | \$ 932,099,830 |
| Commercial/Industrial/Mineral | 376,368,910 | 377,097,070 |
| <i><u>Public Utility Property</u></i> | | |
| Personal | 38,432,100 | 37,568,100 |
| <i><u>Tangible Personal Property</u></i> | | |
| | 737,167 | 1,474,333 |
| Total Assessed Value | \$ 1,311,161,577 | \$ 1,348,239,333 |

Note 6 – Risk Management

A. Property and Casualty Coverage

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During 2009 and 2010, the Township contracted with the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio Townships. OTARMA provides property and casualty coverage for its members. OTARMA is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty Coverage

For an occurrence prior to January 1, 2006 OTARMA retains casualty risks up to \$250,000 per occurrence, including claim adjustment expenses. OTARMA pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000, up to \$1,750,000 per claim and \$10,000,000 in the aggregate per year. For an occurrence on or subsequent to January 1, 2006, the Pool retains casualty risk up to \$350,000 per occurrence, including loss adjustment expenses. Claims exceeding \$350,000 are reinsured with APEEP in an amount not to exceed \$2,650,000 for each claim and \$10,000,000 in the aggregate per year. Governments can elect up to \$13,000,000 in additional coverage with the General Reinsurance Corporation, through contracts with OTARMA.

If losses exhaust OTARMA's retained earnings, APEEP provides *excess of funds available* coverage up to \$5,000,000 per year, subject to the annual aggregate limit of \$10,000,000.

Property Coverage

The Travelers Indemnity Company reinsures specific losses exceeding \$500,000 up to \$600 million per occurrence. APEEP reinsures members for specific losses exceeding \$150,000 up to \$500,000 per occurrence, subject to an annual aggregate loss payment. Travelers provides property aggregate stop loss coverage to APEEP based upon the combined Members' Total Insurable Value (TIV). If the stop loss is reached by payment of the Pools retained losses, Travelers will then reinsure property specific losses in excess of the retention up to their \$600,000,000 per occurrence limit. Additionally, effective

**Jackson Township
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Notes to the Financial Statements
For the Years Ended December 31, 2010 and 2009

Note 6 – Risk Management (Continued)

January 1, 2009, APEEP provides an additional aggregate for the \$50,000 excess \$100,000 layer, with the aggregate limit tied to TIV, for the insurance coverages to the Pools. The aforementioned casualty and property reinsurance agreements do not discharge OTARMA's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective township.

Property and casualty settlements did not exceed insurance coverage for the past three fiscal years.

Financial Position

OTARMA's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2010 and 2009:

| | <u>2010</u> | <u>2009</u> |
|-------------|---------------------|---------------------|
| Assets | \$35,855,252 | \$38,982,088 |
| Liabilities | <u>(10,664,724)</u> | <u>(12,880,766)</u> |
| Net Assets | <u>\$25,190,528</u> | <u>\$26,101,322</u> |

At December 31, 2010 and 2009, respectively, liabilities noted above include approximately \$9.9 million and \$12.0 million of estimated incurred claims payable. The assets and retained earnings above also include approximately \$9.5 million and \$11.5 million of unpaid claims to be billed to 940 member governments in the future, as of December 31, 2010 and 2009, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. The Township's share of these unpaid claims is approximately \$350,353.

Based on discussions with OTARMA, the expected rates charged by OTARMA to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the liability of each member is limited to the amount of financial contributions required to be made to OTARMA for each year of membership.

Township Contributions to OTARMA

| | |
|------|-----------|
| 2008 | \$139,449 |
| 2009 | 136,698 |
| 2010 | 155,863 |

After completing one year of membership, members may withdraw on each anniversary of the date they joined OTARMA provided they give written notice to OTARMA 60 days in advance of the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's budgetary contribution. Withdrawing members have no other future obligation to the pool. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

**Jackson Township
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Notes to the Financial Statements
For the Years Ended December 31, 2010 and 2009

Note 6 – Risk Management (Continued)

B. Workers' Compensation

For fiscal year 2010, the Township participated in the Ohio Township Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. The intent of GRP is to achieve the benefit of a reduced premium for the Township by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating Townships is calculated as one experience and a common premium rate is applied to all Townships in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Participation in the GRP is limited to Townships that can meet the GRP's selection criteria.

For fiscal year 2009, the Township did not meet the eligibility requirements established to participate in the Group Rating Program. The Township's projected losses exceeded the benchmark for acceptance into the purchasing pool. Therefore, the premium paid to the State for fiscal year 2009 was based on an individual rate. The Township participated in two Bureau of Workers' Compensation premium reduction programs, The Drug Free Workplace Program (DFWP) and the Premium Discount Program (PDP+) to offset the higher individual rate.

The firm of Avizent/Frank Gates Service Company provides administrative, cost control and actuarial services to the Township.

C. Employee Medical Benefits

The Township is partially self insured for employee health insurance. The Self Insurance Fund pays covered claims to service providers and recovers these costs from charges to other funds based on an actuarial method or historical cost information and adjusted over a reasonable period of time so the internal service fund receipts and disbursements are approximately equal. Members of the plan are required to remit, through payroll deduction, 50 percent of the excess monthly amount over an annually agreed upon base amount.

Note 7 – Pension Plans

A. Ohio Public Employees Retirement System

All Township employees, other than Firemen, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans as described below:

1. The Traditional Pension Plan - a cost-sharing, multiple-employer defined benefit pension plan.
2. The Member-Directed Plan - a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings.
3. The Combined Plan - a cost-sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to, but less than, the Traditional Plan Benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the Member Directed plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do

**Jackson Township
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Notes to the Financial Statements
For the Years Ended December 31, 2010 and 2009

Note 7 – Pension Plans (Continued)

not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

For the year ended December 31, 2010, member and employer contribution rates were consistent across all three plans. The Ohio Revised Code provides statutory authority for member and employer contributions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Pension Plan.

The 2010 member contribution rates were 10.0% of covered payroll for members in state and local classifications. Public safety and law enforcement members contributed 10.5% and 11.1% respectively.

The 2010 employer contribution rate for state and local employers was 14.00% of covered payroll. The law enforcement and public safety division employer contribution rate was 17.87% of covered payroll.

For the year ended December 31, 2009, member and employer contribution rates were consistent across all three plans. The Ohio Revised Code provides statutory authority for member and employer contributions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Pension Plan.

The 2009 member contribution rates were 10.0% of covered payroll for members in state and local classifications. Public safety and law enforcement members contributed 10.1%.

The 2009 employer contribution rate for state and local employers was 14.00% of covered payroll. The law enforcement and public safety division employer contribution rate was 17.63% of covered payroll.

The Township's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2010, 2009, and 2008 were \$800,233, \$772,484, and \$672,083 respectively. The full amount has been contributed for 2010, 2009 and 2008.

B. Ohio Police and Fire Pension Fund

The Township contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Plan members are required to contribute 10 percent of their annual covered salary to fund pension obligations while the Township is required to contribute 24 percent for firefighters. Contributions are authorized by State statute. The Township's contributions to OP&F were \$1,064,813 for the year ended December 31, 2010, \$1,013,174 for the year ended December 31, 2009 and \$1,048,836 for the year ended December 31, 2008. The full amount has been contributed for 2010, 2009 and 2008.

**Jackson Township
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Notes to the Financial Statements
For the Years Ended December 31, 2010 and 2009

Note 8 - Postemployment Benefits

A. Ohio Public Employees Retirement System

Plan Description. Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan – a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan – a defined contribution plan; and the Combined Plan – a cost sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing OPERS, 277 East Town Street, Columbus, OH 432125-4642, or by calling 614-222-5601 or 800-222-7377.

Funding Policy. The Ohio Revised Code provides the statutory authority requiring public employers to fund post retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post retirement health care benefits.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. State employers contributed at a rate of 14.0 percent in 2010 and 2009 of covered payroll, local government employer units contributed at 14.0 percent in 2010 and 2009 of covered payroll, and public safety and law enforcement employer units contributed at 17.87 percent in 2010 and 17.63 percent in 2009. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units, and 18.1 percent of covered payroll for law and public safety employer units. Active members do not make contributions to the OPEB Plan.

OPERS Post Employment Health Care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits.

The portion of employer contributions allocated to health care for members in the Traditional Plan was 5.5% from January 1 through February 28, 2010 and 5.0% from March 1 through December 31, 2010. The portion of employer contributions allocated to health care for members in the Combined Plan was 4.73% from January 1 through February 28, 2010, and 4.23% from March 1 through December 31, 2010. The portion of employer contributions allocated to health care was 7.00% from January 1 through March 31, 2009 and 5.5% from April 1 through December 31, 2009. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and coverage selected.

**Jackson Township
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Notes to the Financial Statements
For the Years Ended December 31, 2010 and 2009

Note 8 - Postemployment Benefits (Continued)

The Township's actual contributions that were used to fund post employment benefits were approximately \$256,232, \$288,429, and \$352,615 for 2010, 2009 and 2008, respectively. 100% has been contributed for 2010, 2009 and 2008.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, is effective on January 1, 2007. Member and employer contribution rates for state and local employers increased January 1 of each year from 2006 to 2008. Rates for law and public safety employers increased over a six year period beginning January 1, 2006, with a final rate increase January 1, 2011. These rate increases allowed additional funds to be allocated to the health care plan.

B. Ohio Police and Fire Pension Fund

Plan Description. Jackson Township contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored health care program, a cost-sharing multiple-employer defined postemployment health care plan administered by OP&F. OP&F provides healthcare benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium and long term care to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to post-retirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

The Ohio Revised Code allows, but does not mandate, OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits are codified in Chapter 742 of the Ohio Revised Code.

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the Plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding policy. The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F (defined benefit pension plan). Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.50% and 24.00% of covered payroll for police and fire employers, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.50% of covered payroll for police employer units and 24.00% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

OP&F maintains funds for health care in two separate accounts. One for health care benefits under an IRS Code Section 115 trust and one for Medicare Part B reimbursements administered as an Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised code to the OP&F Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2010, the employer contribution allocated to the health care plan was 6.75% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

**Jackson Township
Stark County**

Notes to the Financial Statements
For the Years Ended December 31, 2010 and 2009

Note 8 - Postemployment Benefits (Continued)

The OP&F Board of Trustees also is authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

Jackson Township's contributions to OP&F for the years ending December 31, 2010, 2009, and 2008 were \$1,064,813, \$1,013,174 and \$1,048,836, respectively, of which \$299,212, \$284,702 and \$294,723 respectively, was allocated to the healthcare plan.

Note 9 – Interfund Transfers

During 2010 the following transfers were made:

| | Transfers Out | Transfer In | | | Total |
|--------------------------------|--------------------|--------------------|---------------------------------|------------------|--------------------|
| | | General Fund | Accumulated Benefits Fund | Fire Fund | |
| General Fund | \$2,071,397 | | \$25,000 | | \$2,071,397 |
| Police Fund | 251,739 | | 251,739 | | 251,739 |
| Fire Fund | 200,000 | | 200,000 | | 200,000 |
| Other Governmental Funds | 1,200,961 | \$1,025,961 | | \$175,000 | 1,200,961 |
| | <u>\$3,724,097</u> | <u>\$1,025,961</u> | <u>\$476,739</u> | <u>\$175,000</u> | <u>\$3,724,097</u> |

During 2009 the following transfers were made:

| | Transfers Out | Transfer In | | Total |
|--------------|--------------------|--------------------------------|-----------------------------|--------------------|
| | | Other Governmental Funds | Internal Service Fund | |
| General Fund | \$964,556 | \$964,393 | \$163 | \$964,556 |
| Police Fund | 100,000 | 100,000 | | 100,000 |
| | <u>\$1,064,556</u> | <u>\$1,064,393</u> | <u>\$163</u> | <u>\$1,064,556</u> |

Transfers represent the allocation of unrestricted receipts collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations or transfers to reserve balance accounts established in accordance with Chapter 5705.13 of the Ohio Revised Code.

Note 10 – Contingent Liabilities

A. Grants

The Township received financial assistance from federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and

**Jackson Township
Stark County**

Notes to the Financial Statements
For the Years Ended December 31, 2010 and 2009

Note 10 – Contingent Liabilities (Continued)

conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Township at December 31, 2010.

B. Litigation

The Township is a party to legal proceedings seeking damages. The Township management is of the opinion that ultimate disposition of these claims and legal proceedings will not have a material effect, if any, on the financial condition of the Township.

Note 11 - Restatement of Fund Balances

Effective 2009, the Township changed the major fund opinion reporting presentation within certain funds to include the respective reserve balances established under Ohio Revised Code Section 5705.13. In the prior year the Township reported the Reserve Funds within the Other Governmental Funds. As a result of the reclassification, the following Funds beginning balance on January 1, 2009 changed.

| | Police Fund | Fire Fund | Road Levy Fund | Highway Capital Fund | Other Governmental Funds |
|--|---------------------|---------------------|---------------------|----------------------------|--------------------------------|
| Ending Fund Balance, as previously reported, December 31, 2008 | \$ 2,163,098 | \$ 1,881,322 | \$ - | \$ 4,518,113 | \$ 6,779,599 |
| Reclassification of Road Levy Fund as a major fund | | | 811,668 | | (811,668) |
| Reclass of Highway Capital Fund as Road Levy Fund | | | 4,518,113 | (4,518,113) | |
| Reclass of Reserve Balances | <u>1,135,096</u> | <u>1,075,778</u> | | | <u>(2,210,874)</u> |
| Ending Fund Balance, restated reported, January 1, 2009 | <u>\$ 3,298,194</u> | <u>\$ 2,957,100</u> | <u>\$ 5,329,781</u> | <u>\$ 0</u> | <u>\$ 3,757,057</u> |



Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Jackson Township
Stark County
5735 Wales Avenue N.W.
Massillon, Ohio 44646

To the Board of Trustees:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Jackson Township, Stark County, (the Township) as of and for the years ended December 31, 2010 and 2009, which collectively comprise the Township's basic financial statements and have issued our report thereon dated July 15, 2011, which disclosed the restatement of certain fund balances related to the reclass of the reserve balances. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the Township's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Township's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Government's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

Compliance and Other Matters

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note a matter not requiring inclusion in this report that we reported to the Township's management in a separate letter dated July 15, 2011.

We intend this report solely for the information and use of management, the audit committee, the Board of Trustees and others within the Township. We intend it for no one other than these specified parties.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive, flowing style.

Dave Yost
Auditor of State

July 15, 2011



Dave Yost • Auditor of State

JACKSON TOWNSHIP

STARK COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
AUGUST 11, 2011